

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

TONYKNOWLES, GOVERNOR

June 2, 2000

Roy S. Matsuno
Tribal Administrator
Ugashik Traditional Village
206 E. Fireweed, #204
Anchorage, AK 99503

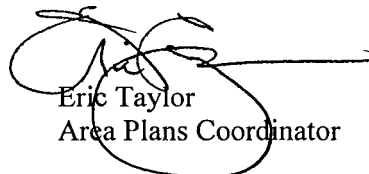
Dear Mr. ^{Roy}~~Matsuno~~:

Thank you for your letter of April 11 concerning costs for movement along the potential Lower Peninsula road system from Chignik Bay to Pilot Point and Chignik Bay to Ivanof Bay.

The numbers I think you are looking for can be found on Tables 15, 16, 18 and 19 and on pages 39, 40, 43, and 44, respectively, of the *Freight Impact Analysis of Potential Alaska Peninsula Roadway Segments and Regional Freight Movement Summary* technical memorandum. The tables clearly indicate that savings to local users along the potential road system would occur through cargo transfer at Chignik Bay and truck delivery. The reason for the high cost of shipping between ports within the region stems from the price of labor involved in lightering/transfer, and the fact that the barges originate from outside of the region to begin with, a "voyage" cost that shippers typically share among all the users. You are in essence not so much paying for the miles as you are for the overhead and the labor, which are the big cost drivers.

I too had hoped that there would have been more time during SWAMC to meet with the Advisory Committee members and talk about where to go from here. Unfortunately the schedule was pretty tight. However, we were pleased with the numbers in attendance, the general receptiveness of the recipients, and the questions that were asked. I am hopeful that we will be able to arrange an Advisory Committee session this fall in a somewhat less busy setting to help solidify regional support for the plan prior to the next Legislative session. Please let us know of any opportunities that you are aware of.

Sincerely


Eric Taylor
Area Plans Coordinator